

SPECIAL PERRY COUNTY COUNCIL MINUTES – SEPTEMBER 13, 2012

The Perry County Council met on the above date at 4:30 p.m. as was duly advertised. Council members in attendance were: President Alan Cassidy, Pro-tem Steve Goodson, Stan Goffinet, Merle Doogs, Jim Adams, and Chet Mathena. Ron Crawford Sr. was unable to attend the meeting. A media representative from the Perry County News was also present.

The meeting opened with the Pledge of Allegiance

CONSIDERATION OF LEASE FINANCING FOR PERRY COUNTY MEMORIAL HOSPITAL

Chris Goffinet, Attorney for the hospital thanked the council members for attending the September 5th Commissioners meeting to hear the presentation on the proposed new hospital. He explained that the Perry County Hospital Association was created for the purpose of financing, acquiring, constructing and equipping the new hospital. They in turn will lease the land and buildings to be used for hospital purposes to Perry County who in turn will lease it to the Trustees of Perry County Memorial Hospital. Chris explained that the net revenues of the hospital are expected to be sufficient to pay the annual lease rental payment. The Association and the Hospital have arranged for financing through the purchase of bonds issued by the United States Department of Agriculture, Rural Development. (USDA) The USDA requires a property tax backup by the County, which provides additional security for the payment of the lease if the hospital has insufficient funding to make the payments. They are proposing to borrow \$40 million at a fixed rate for 40 years.

On behalf of Council member Ron Crawford Sr., Stan Goffinet asked if the hospital cannot make their payments, how long would the county be required to make the payments. Chris stated that it is very unlikely that the hospital will not be able to make the payments, but if that happened then the Trustees of the Hospital and the County would meet and could seek to sell the hospital.

Stan asked what the duties of the Hospital Association are and he would like to see a County Council member on that board. Chris explained that the Association owns the building while it is being built, and they meet once a year. Chris stated that he was not sure if a County Council member could be on the board, but Ice Miller is researching the law on that subject. It was stated that all the Association meetings are open to the public.

It was stated that the hospital intends to have extra money each year that will be set aside to pay the lease off early. The current interest rate that they are looking at is 3.5%, but they could get a lower rate once all the paper work is received by the USDA.

Chet stated that the hospital has a good track record and the Board of Trustees and employees are doing a super job.

Chris stated that this property tax commitment will not have an impact on the county borrowing money in the future.

Several council members stated that the hospital project is a good thing for the county.

Jim made the motion approving the hospital lease, and Chet seconded the motion. Motion carried 6-0. (See attachment "A" Resolution No. R-CC-12-6)

MISCELLANEOUS

Steve reminded the County Council members that they would be meeting on Monday, September 17th at 4:30 to conduct the non-binding recommendations on several taxing units.

There being no further business, Stan made a motion to adjourn the meeting. Jim seconded the motion. Motion carried 6-0, with adjournment at 5:00 p.m.

Minutes approved this 27th day of September, 2012.

President, Perry County Council

Minutes prepared by:
Connie A. Berger, Perry County Auditor